YALE RESOURCES LTD

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS

QUARTER ENDED JANUARY 31, 2012

Date Submitted: April 25, 2012

Introduction

The following discussion and analysis, prepared as of April 15, 2012, is prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the condensed consolidated interim financial statements for the three months ended January 31, 2012 (the "Financial Statements").

IFRS replaces current Canadian GAAP for publicly accountable enterprises, including the Company, effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, the accompanying unaudited condensed consolidated interim financial statements for the three months ended January 31, 2012 have been prepared in accordance with IAS 34, Interim Financial Statements, using accounting policies consistent with IFRS.

The transition to IFRS resulted in changes to the Company's significant accounting policies, which included a change in the accounting policy for mineral property interests. However, these changes in accounting policies did not have a significant effect on the Company's November 1, 2010 statement of financial position or its fiscal 2011 comparative information presented in the financial statements for the three months ended January 31, 2011, other than adjustments to mineral property interests and exploration expenditure arising from the revised accounting policy for mineral property interests. Financial information for periods prior to November 1, 2010 have not been assessed for whether there would be significant adjustments as a result of the changes in accounting policies on adoption of IFRS.

Readers of the MD&A should refer to "Changes in Accounting Policies" below, and Note 3 of the accompanying condensed consolidated interim financial statements, for a discussion of IFRS and its impact on the Company's financial statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

All dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars except where indicated otherwise.

Forward Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "designed", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

Description of Business

The Company's principal business activity is the acquisition and exploration of mineral properties for commercial mineral deposits and it is considered to be at the exploration stage. The Company utilizes the project generator business model to maximize its exposure to discovery while minimizing shareholder risk. As a project generator the Company acquires properties with high potential and options a percentage interest in them to other public companies for a combination of cash, shares and exploration commitments over a number of years. If the other company fulfils the terms of the option then that percentage ownership is transferred. Yale currently has nine projects in its portfolio of which five are optioned out.

The Company has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties in the financial statements are dependent on the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to discover and complete the development of those reserves and upon future profitable production. The Company trades on the TSX Venture Exchange under the symbol YLL, the Frankfurt Stock Exchange under the symbol YAB, and over the counter in the United States under the symbol YRLLF.

Performance Summary

During the three month quarter ended January 31, 2012, the Company incurred $14,879 in mineral property acquisition costs, mineral property acquisition cost recoveries of $52,641, and net exploration expenditures of $7,408 after recoveries of $147,043.

As at January 31, 2012, the Company had consolidated working capital of $94,977. This is not sufficient to fund the Company's operating expenses and exploration activities in the short term, and additional funds will be raised through equity markets to provide additional financing for operating expenses and exploration activities.

Exploration Activities

The Company has eight projects in its portfolio: Urique, Carol, La Verde, Dos Naciones, Orofino, Apache, Los Amoles and Guadalupe. The Urique, Dos Naciones, Orofino, and Los Amoles properties are currently optioned.

APACHE PROPERTY

The Apache Property was acquired in December 2010 and is owned 100% by Yale. The property is not optioned.

No work was performed on the Apache Property during the quarter.

LOS AMOLES PROPERTY

The Los Amoles Property was acquired in April 2010 and is owned 100 % by Yale. The property is optioned to Sonora Resources Corp. who have the option to earn a 70% interest in the property by paying Yale US $50,000, spend US $900,000 on exploration expenditures and issue 1,000,000 shares to Yale over three years.

On December 8, 2011, the Company announced that Sonora Resources Corp. has committed to the second year of the option for the Los Amoles silver property and Yale has received an additional 200,000 shares of Sonora Resources. The second year's commitment at Los Amoles is US $300,000 in expenditures. A work program that will concentrate on sampling a number of the main underground workings in order to trace the continuation of the silver rich veins to depth is currently underway. This is an important step to define the potential for the veins in advance of a drill program expected in 2012.

On March 27, 2012, the Company announced that sampling at the Los Amoles Silver Property continued to show the potential for multiple sampling techniques within the property as a test sampling of select shafts has returned the widest and highest grade results to date from the property. Work at Los Amoles is being performed by Yale on behalf of Sonora Resources, who by funding the exploration have the right to earn a 70% interest in the property.

The central target area of the property, which surrounds the historic Rosales mine, measures approximately 300 by 600 metres and has the highest concentration of historic workings with greater than 20 shafts and adits identified to date. The distribution of workings on different veins and different sections of each vein provides access to various levels of the mineralizing system due to the topography. All mineralization encountered to date is open along strike and to depth. The recently completed work program was designed to test the exposed vein in the walls of the vertical shafts of select workings. This has proven very effective in getting a true sense of the mineralization that is not exposed at surface. Below are the highlights of the sampling program:

Sample description	Width (m)	Ag (g/t)	Au (g/t)	Ag Eq[1] (g/t)
Rebaje shaft at 1.1 m	1.39	241.85	0.38	264.41
Rebaje shaft at 1.3 m	1.05	278.35	0.80	326.64
Rebaje shaft at 4.5 m	1.54	144.66	0.34	164.99
Rebaje tunnel	1.00	308.70	1.32	387.60
Rebaje tunnel	0.70	1,131.49	1.60	1,227.24

- Silver equivalent calculations use metal prices of Au US$1,200/oz and Ag US$20/oz. Metallurgical recoveries and net smelter returns are assumed to be 100%.

In addition, a test soil grid covering an area measuring 200 by 400 metres proved very effective as it defined a 250 metre curvi-linear silver anomaly that has been interpreted to represent the buried continuation of a vein as well as several discrete anomalies that occur immediately down slope from historic workings and their respective waste piles.

As a result of the continued favourable results a much larger comprehensive sampling program is being proposed to Sonora Resources for the next exploration campaign on the project such that targets can be prioritized for drilling.

There was no field work done at Los Amoles during the quarter.

CAROL PROPERTY

The Carol Property was optioned in October 2006 and acquired in March 2008. It is wholly owned by Yale. At October 31, 2011, the Carol Property was optioned out to El Condor Minerals who have the right to earn a 70% interest in the property by spending $1,700,000 on exploration expenditures and paying Yale a total of $350,000 over four years.

Yale and El Condor agreed to amend the option by extending the date due for the second payment 2 months in exchange for a payment to Yale of $10,000.

On December 21, 2011, the Company announced that it had terminated the option agreement for the Carol Property with El Condor Resources as certain financial milestones in the agreement were not met.

As a result of not completing the obligations, the property remains 100% owned by Yale. The Company will re-compile the data for the Carol Property and look for a new optionee for the property in the New Year.

There was no fieldwork performed on the property during the quarter.

OROFINO PROJECT

The Orofino property was optioned in July 2009 and a majority of the project was acquired in May 2011. A portion of the property remains under option.

The Orofino Project is optioned to Overlord Capital Ltd., a Capital Pool Company, who have an option to a 70% interest in the property, Overlord will be required to pay Yale $100,000, issue to Yale 1,300,000 shares in Overlord, and incur a total of $2,100,000 in exploration expenditures on the Property over a four year period.

The Company is currently waiting for Overlord to receive final approval from the Exchange.

Overlord must pay Yale $50,000 and issue 50,000 common shares upon receipt of Venture Exchange approval to the proposed qualifying transaction. Subsequent share issuances of 500,000, 150,000, 350,000 and 250,000 shares on the first, second, third, and fourth year anniversaries will also be due in order to keep the Option Agreement in good standing. The first year's requirement will be $200,000 in exploration expenditures followed by a further $400,000 in the following year, $750,000 in the third year and $750,000 in the final year of the Option Agreement. Yale will be the initial operator and will manage exploration on the property.

There was no fieldwork performed on the property during the quarter.

Tenoriba Property

The Tenoriba Property was optioned in July 2010 and Yale has an option to earn a 100% interest in the property.

There was no fieldwork reported during the quarter and the Company is currently in the process of terminating the option on the property. On October 19, 2011, the Company announced that it had dropped the option to earn a 100% interest in the Tenoriba Property located in southwestern Chihuahua Statedue to unpredictable community relations Yale was unable to undertake ongoing exploration in the area and, in turn, attract an optionee for the project.

Dos Naciones Property

The Dos Naciones Property was acquired in October 2008 by staking and is owned 100% by Yale. Del Toro Silver Corp. has an option to earn a 70% interest in the property by undertaking a total of $800,000 in exploration expenditures and issuing to Yale 650,000 shares.

On November 8, 2011, the Company announced that drilling has started at the 2,391 hectares (23.91 square km) Dos Naciones property located approximately 160 km northeast of Hermosillo in the heart of the Sonoran porphyry district. The work is being done on behalf of optionee Del Toro Silver Corp. (OTCBB – DTOR).

The first two planned holes are being drilled in the La Espanola skarn target where previous sampling by Yale returned the following (see news release dated Oct. 29, 2008).

On December 8, 2011, the Company announced that drilling at the Dos Naciones property was successful in confirming the high potential for multiple skarn targets. The Dos Naciones property is 2,391 hectares (23.91 square km) in size and is located approximately 160 km northeast of Hermosillo in the heart of the Sonoran porphyry district.

Drilling in the strongly altered and fractured ground proved very difficult and each hole was terminated due to technical reasons. "The bad news is that each hole was terminated due to tough drilling conditions, however, the good news is that each hole was terminated in mineralization", commented Ian Foreman, P.Geo., president of Yale Resources. Yale will be recommending additional drilling with a larger, more powerful drill.

In addition, field work was successful in identifying several previously unknown historic workings – one below the La Espanola target where the first two holes were drilled and one to the east of the Dos Naciones target where the third hole was drilled.

A total of 46 samples were taken from the underground workings and 52 samples were taken from core.

On February 7, 2012, the Company announced that it had received results for the three holes, drilled on behalf of its optionee Del Toro Silver Corp., at the Dos Naciones property, located in Sonora State, Mexico.

Drilling at Dos Naciones was successful in confirming the presence of multiple outcropping skarn targets. Drilling in the strongly altered and fractured ground proved very difficult and each of the three holes was terminated before reaching the target depth due to technical reasons.

The table below summarizes the results received:

Drill Hole	From	To	Interval	Cu (%)	Au (g/t)	Ag (g/t)
D2N-01	0.00	10.50	10.50	1.04	0.08	33.3
D2N-01	29.70	30.45	0.75	0.21	1.50	88.3
D2N-02	Hole lost at 12.0 m					
D2N-03	4.50	14.50	10.00	0.76	0.12	9.3
including:	8.85	9.45	0.60	5.45	0.58	50.7

Drill holes D2N-01 and D2N-02 were drilled into and beside, respectively, the La Espaῆola skarn target, a prominent ridge that is host to numerous historic workings. In addition to the average of 1.04 % copper and 33.3 g/t silver, drill hole D2N-01 intersected an average of 20.7 % iron (using a top cut of 25%) over 10.5 metres from surface. A second zone of mineralization grading 1.5 g/t gold and 88.3 g/t silver over 0.75 m was intersected at a depth of 29.70 m, indicating the potential for additional targets at depth. Drill hole D2N-02 was collared in strongly altered andesitic volcanics with 1 to 3 percent disseminated sulphides but was lost at 12 m before intersecting the target at depth.

Drill hole D2N-03 was drilled into the Dos Naciones Este target, located approximately 2.5 km southwest of drill holes D2N-01 and 02 Hole D2N-03 was collared in an outcrop of skarn and intersected 10.0 m of skarn mineralization averaging 0.76 % copper and 9.3 g/t silver from a depth of 4.5 metres below a zone of very poor recovery.

The size of these targets has yet to be fully tested and as a result Yale is recommending additional drilling at Dos Naciones. Del Toro must spend a total of $800,000 at Dos Naciones prior to July 7, 2013 to earn a 70% interest in the property.

There was no fieldwork performed on the property during the quarter.

Urique Property

The Urique Property was originally optioned by Yale in August 2006 and acquired in March 2009. The property is 100% owned by Yale. In March 2009, the Company optioned the property to American Sierra Gold Corp. however that option was terminated in October 2010.

Mammoth Capital Corp., has an option to earn up to a 100% interest in the property. Mammoth can earn an initial 70% interest in the property by paying Yale $50,000 ($25,000 received), issuing to Yale 1,700,000 shares, and incurring a total of $3,000,000 in exploration expenditures. In order to earn the remaining 30% interest in the Property, Mammoth must issue an additional 500,000 common shares to Yale and must have completed a resource estimate on the Property delineating at least 300,000 equivalent ounces of gold in the measured and indicated categories within an additional three years. Upon completion of the resource estimation Mammoth would then be required to issue an additional share for each equivalent ounce of gold within the measured and indicated categories, subject to a minimum of 300,000 shares and a maximum of 2,000,000 shares.

On December 8, 2011, the Company announced that work is underway at the Urique gold/silver property where confirmation sampling and mapping is being conducted in anticipation of additional work to be undertaken in 2012.

Pursuant to an agreement dated February 20, 2012, Mammoth Resources Corp. and Yale Resources Ltd. have agreed to amend and restate the terms of the Urique option agreement to reflect the terms of the amending agreement dated October 7, 2011, and further amendments agreed to by the parties.

The terms of the original Urique option agreement and the amending agreement were previously summarized in the companies' news release dated Sept. 14, 2011, and filing statement dated Dec. 14, 2011, both of which are posted on SEDAR.

Pursuant to the amended and restated option agreement, the parties have agreed to the following further amendments:

- Yale has agreed to contribute a total of $125,000 (Canadian) toward taxes owing on concessions comprising the Urique property during the term of the amended and restated option agreement.
- The scheduled issuance of common shares by Mammoth to Yale, deadlines for incurring expenditures and exercising the options granted under the terms of the original Urique option agreement have been changed to align with tax payment deadlines, and certain share issuances have been made conditional upon receipt of such contributions from Yale.

- The first year's expenditures of $300,000 has been combined with the second year's expenditures such that Mammoth must now incur a total of $800,000 in expenditures prior to the second anniversary.

All other material terms of the original Urique option agreement, as amended by the amending agreement, remain unchanged.

On February 23, 2012, the Company reported that a comprehensive work program is now underway at the Urique Project, located in Chihuahua State, Mexico, immediately north of Goldcorp's El Sauzal gold mine and immediately south of Kimber Resources' Monterde Property. Work at Urique is being performed on behalf of optionee Mammoth Resources Ltd. (MTH – TSX.V).

The initial results from sampling at the San Pedro Target has identified multiple new zones of gold mineralization and confirmed the strong potential of previously known zones. Gold and silver mineralization at San Pedro is interpreted to be low to intermediate sulfidation and occurs as widely spaced quartz vein/stockwork zones and shear zones associated with felsic dykes hosted in strongly altered volcanic rocks.

Important gold values (greater than 0.3 g/t Au) now have been identified throughout an area measuring approximately 1,400 metres by 1,000 metres. In this initial phase, 121 rock chip samples were taken from quartz veins/stockwork zones and their immediate wall rock near or at the entrance of small mine workings. Highlights from this first widespread sampling are listed below:

Location	metres	Au (g/t)	Ag (g/t)
Monse pit	5.90	0.48	4.2
incl:	0.60	3.65	31.4
Monse working	2.00	5.52	38.5
Mina San Pedro	6.40	0.60	13.8
Area Mirador pit 2	0.60	1.32	42.4
Trench 1	3.00	0.67	5.8
incl:	0.50	2.46	22.3
Eloy pit 1	1.20	0.92	3.4
Eloy pit 2	1.70	1.24	4.5
Trench 2	3.90	1.41	3.5
incl:	2.40	2.24	5.4
Curva pit	3.60	0.78	1.2
Trench 4	2.60	1.42	8.4
incl:	0.80	3.77	13.3
Trench 6	0.20	18.78	91.9
and	0.20	1.63	50.7
Trench 7	1.00	0.53	1.6
and	0.70	4.07	2.5

To date only a combined 50.6 linear meters of trenches have been sampled. A number of trenches are open and need to be extended to fully define the following results (see table above for detail):

- Trench 2 - first sample returned 1.55 g/t gold
- Trench 4 - first sample returned 3.77 g/t gold
- Trench 6 - first sample returned 18.78 g/t gold and the last sample returned 1.63 g/t gold
- Trench 7 - first sample returned 0.53 g/t gold and the last sample returned 4.07 g/t gold

The Company currently has four geologists dedicated to the project based out of two camps that are used as the bases of operations to cover the northern portion of the property – Urique North and the southern portion of the property – Urique South.

- Work in Urique North will be concentration on the San Pedro target before moving on to the Cuiteco Target and other anomalies whereas the field program in Urique South Ongoing work will continue to develop a geological database and understanding of the Urique Target Area, which contains greater than 20 historic producing mines, as well as investigate numerous other targets and prospects located in the southern portion of the property that borders Goldcorp's El Sauzal property. The goal of this work is to advance the primary target areas to the drill-ready stage as rapidly as possible.

Field work at Urique continues.

La Verde Property

The La Verde Property was originally optioned by Yale in June 2007. The project was expanded in 2007 and 2008. The Company owns 100% in a majority of the property, however has not completed the original option on the core La Verde Grande concessions. This agreement is in good standing; however Yale has missed several payments.

There was no fieldwork reported on the property during the quarter.

Guadalupe Property

The Guadalupe Property was optioned by Yale in January 2010 and has the right to earn a 100% interest in the property.

Gold American Mining Corp. has an option to earn a 90% interest in Guadalupe and will be required to pay Yale US $900,000, spend US $2,000,000 on exploration expenditures and issue 1,000,000 shares to Yale over four years. Should the earn-in be completed Yale will retain a 10% participating interest in the property as well as a 2% NSR, which can be bought out in entirety for US $2,000,000.

There was no fieldwork reported on the property during the quarter as there is a legal dispute on the claims. Payments to the underlying owner have been suspended and the option with Silver America has also been suspended until the situation has been resolved. The option between Yale and the underlying owner and the option between Silver America and Yale are both in good standing. Gold American Mining has since dropped their option on the Guadalupe Property.

There was no fieldwork reported on the property during the quarter.

Corporate Events

December 23, 2011, the Company provided a summary of its finances in 2011 and gave an overview of its plans for 2012.

In calendar year 2011 Yale generated modest revenue of approximately $230,000 as a result of cash payments and management fees from optionees, sale of shares in optionees, oil and gas revenue, and consulting for third party companies. In addition, current free-trading, saleable, shares amount to approximately $227,000 as of December 22.

“The combination of revenue, current liquid assets and exploration expenditures funded by our optionees amounts to the equivalent of approximately 26,500,000 shares, on a fully diluted basis, in financings at $0.05 that Yale would have been required to add to the capital of the Company – a 30 % dilution in the Company that didn’t happen – thus showing the true value of our business model,” stated Ian Foreman, P.Geo., president of Yale Resources. “This has been a difficult year but not only did we survive, we were able to expand our operations in Mexico and build on our business model by finding additional value-added optionees for our projects.”

Moving forward in 2012, the Company anticipates large optionee-funded work programs on at least three projects with Yale as the current operator on each of those projects. In advance of these projects the Company is adding to its Mexican work force. In addition, the Company will continue to review opportunities to add to its portfolio of projects as well as seek additional optionees for its 3 un-optioned properties.

On April 11, 2012, the Company reported that all resolutions were passed at its Annual General Meeting held on April 10, 2012. The Board of Directors and management would like to thank all shareholders for their support and confidence.

The Board of Directors and Officers for the upcoming year will consist of:

Ian Foreman, P.Geo.	- President, Director and Audit Committee Member
Lindsay Bottomer, P.Geo.	- Director
David Hall	- Director and Audit Committee Chair
Edmundo Uribe	- Director and Audit Committee Member
Ezra Jimenez, LLM, MBA	- Vice President - Operations and CFO

Results of Operations

The Company currently does not have an operating or producing mineral property. The Company has no earnings from mineral properties and therefore will finance its future exploration activities by the sale of common shares or units. Certain of the key risk factors of the Company’s operating results are the following: the state of capital markets, which affects the ability of the Company to finance its exploration activities; the write-down and abandonment of mineral property interests as exploration results provide further information relating to the underlying value of such properties; and market prices for natural resources as well as the nonviability of its projects.

The Company’s accounting policy as it relates to its acquisition of its mineral property interests is to capitalize all acquisition costs and recognized all other exploration expenditures in the statement of operations and comprehensive loss in the period in which they are incurred. Once the properties to which acquisition costs relate are placed into production, sold or abandoned or impaired, the capitalized costs are either depleted using the unit-of-production method over the estimated life of the ore-body, following the commencement of production, or written off at the time the property is sold or abandoned.

The Company is not a party to any material legal proceedings and is not in default under any material debt or other contractual obligations other than as disclosed in the financial statements. No significant revenue generating contracts or cash commitments were entered into or undertaken by the Company during the period other than as set out herein or in the financial statements of the Company.

Selected Annual Information

The Company's audited financial statements for the year ended October 31, 2011 (the "Annual Financial Statements") have been prepared in accordance with Canadian GAAP ("CGAAP") and subsequently restated in accordance with IFRS. The following selected financial information is taken from the Annual Financial Statements and should be read in conjunction with those statements.

	Oct. 31, 2011 (IFRS) $	**Oct. 31, 2010 (Canadian GAAP) $**	**Oct. 31, 2009 (Canadian GAAP) $**
Total revenue	Nil	Nil	Nil
Loss for the year	(1,689,071)	(452,523)	(1,615,185)
Basic and diluted loss per share	(0.02)	(0.01)	(0.03)
Total assets	1,710,010	3,599,199	3,105,770
Total long-term financial liabilities	Nil	Nil	Nil

Summary of Quarterly Results

. The table below sets out the quarterly results of the Company for the 8 most recent quarters.

	Jan. 31 2012 (IFRS)	Oct 31 2011 (IFRS)	Jul 31 2011 (IFRS)	Apr 30, 2011 (IFRS)	Jan. 31, 2011 (IFRS)	Oct. 31, 2010 (Canadian GAAP)	Jul 31, 2010 (Canadian GAAP)	Apr 30, 2010 (Canadian GAAP)
Revenue	$0	$0	$0	$0	$0	$0	$0	$0
Loss for the period	$51,513	$1,206,396	$106,201	$187,940	$188,534	($10,974)	$122,998	182,797
Basic and diluted loss per share	0.001	0.015	0.001	0.002	0.003	0.00	0.002	0.003

Significant variances in the Company's operational results for the three months ended January 31, 2012 compared to the three months ended January 31, 2011 were as follows:

i) Accounting, audit and legal fees decreased by $8,789 to $10,863 from $19,652 in 2011 and reflect lower legal fees this quarter due shares issued in the first quarter of fiscal 2011.

ii) Exploration costs decreased by $63,610 to $7,408 from $71,018 in 2011 and reflect greater cost recoveries received from the Company's partners on its optioned properties.

iii) Management fees increased by $6,000 to $21,000 from $15,000 in 2011 and reflect the additional work required to manage the Company's increasing number of properties and option agreements.

Significant variances in the Company's financial position for the three months ended January 31, 2012 compared to January 31, 2011 were as follows:

i) Cash decreased by $46,497 to $57,143 from $103,640 and reflects the ongoing exploration of the Company's mineral properties.
ii) Amounts receivable decreased by $18,444 to $20,347 from $38,791 and reflect refundable taxes recovered in Mexico.
iii) Marketable securities have increased by $22,269 to $252,774 from $230,505 and reflect shares received on option agreements on the Company's mineral properties.
iv) Mineral property interests have decreased by $37,762 to $1,168,826 from $1,206,588 due to option proceeds received on the Company's Urique and Los Amoles properties.

Related Party Transactions

(a) Management transactions

Management transactions with related parties during the three months ended January 31, 2012 and 2011 were as follows:

	January 31, 2012			January 31, 2011		
	Short-term employee benefits	Other benefits	Total	Short-term employee benefits	Share-based payments	Total
Ian Foreman; President	$ 24,000	$ -	$ 24,000	$ 18,000	$ 17,180	$ 35,180
Ezra Jimenez; CFO	$ 21,000	$ -	$ 21,000	$ 15,000	$ 17,180	$ 32,180
Timeline Filing Services Ltd.[(i)]	$ 6,000	$ -	$ 6,000	$ 6,000	$ 8,590	$ 14,590

i) Timeline Filing Services Ltd.; a private enterprise controlled by the Company's Corporate Secretary; Laara Shaffer. Share based payments were made to Laara Shaffer in an individual capacity.

(b) Directors' transactions

During the three months ended January 31, 2012, share based compensation recognized, related to directors (excluding share-based compensation disclosed in (a) above), was $nil (January 31, 2011 - $60,560).

Liquidity and Capital Resources

As at January 31, 2012 the Company had working capital of $94,977, as compared to working capital of $154,611 as at October 31, 2011. The Company will require continued financing or outside participation, to undertake additional exploration and subsequent development of its mineral properties.

As at January 31, 2012, the Company had cash of $57,143 ($103,640 as at October 31, 2011).

Significant variances in the Company's cash flows for the three months ended January 31, 2012 compared to the three months ended January 31, 2011 were as follows:

i. Cash used in operating activities decreased by $294,890 to $26,780 from $321,670 in 2011 due primarily to the payment of various exploration bills in Mexico that were incurred and payable at October 31, 2010.

ii. Cash used in investing activities decreased by $36,236 to $21,184 from $57,420 in 2011 due primarily to exploration recoveries received in the quarter ended January 31, 2012 reducing the overall net mineral property expenditures.

iii. Cash provided by financing activities decreased by $701,265 in 2011 due to warrants exercised in the quarter ended January 31, 2011.

Financial Instruments and Risk Management

The Company's financial assets and liabilities were categorized as follows:

		January 31, 2012		October 31, 2011		November 1, 2010
Financial assets:						
Fair value through profit and loss						
Cash and cash equivalents	**$**	**57,143**	$	103,640	$	171,318
Loans and receivables						
Amounts receivable*		**4,098**		4,098		655
Available for sale						
Marketable securities		**252,774**		230,505		247,467
Investment in oil and gas interest		**33,611**		33,611		33,611
Total financial assets	**$**	**347,626**	$	371,854	$	453,051
Financial liabilities:						
Other financial liabilities						
Accounts payable and accrued liabilities	**$**	**126,273**	$	113,877	$	317,527
Total financial liabilities	**$**	**126,273**	$	113,877	$	317,527

*Excluding sales tax receivable

The fair values of the Company's amounts receivables, accounts payable and accrued liabilities and exploration advances approximate their carrying values due to the short-term nature of these instruments. Where marketable securities are publically traded their value is measured at market value, unless they are restricted from trading, where they will be measured at cost. The Company's Investment in oil and gas interest is valued at cost, as it does not have a quoted market price in an active market and the fair value cannot be reliably determined.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk with respect to its cash and cash equivalents and amounts receivable.

The Company deposits substantially all of its cash at a Canadian chartered bank.. The Company's amounts receivable consist primarily of Harmonized Sales Tax receivable from the Canadian government and Value Added Tax receivable from the Mexican government. Management considers the risk of non-performance related to cash and cash equivalents and amounts receivable to be minimal.

(b) Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

At January 31, 2012 the Company had cash in the amount of $57,143 (October 31, 2011 - $103,640), (November 1, 2010 - $171,318) and accounts payable and accrued liabilities of $126,273 (October 31, 2011 - $113,877), (November 1, 2010 - $317,527). Trade payables are due within twelve months of the financial position date.

The Company ensures, as far as reasonably possible, that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash.

(c) Market Risk

Market risk consists of interest rate risk, foreign currency risk, and other price risk. These are discussed below:

Interest rate risk

Interest rate risk consists of two components:

i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate cash flow risk because of their short-term nature and maturity.

The Company is exposed from time to time to interest rate price risk as a result of holding fixed rate cash equivalent investments of varying maturities. The risk that the Company will realize a loss as a result of a decline in the fair value of these investments is limited as these investments are highly liquid securities with short-term maturities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

The Company is exposed to foreign currency risk with respect to cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities, as a portion of these amounts are denominated in Mexican Pesos ("MXN") and US Dollars ("USD") as follows:

	January 31, 2012		October 31, 2011		November 1, 2010	
	MXN	**USD**	MXN	USD	MXN	USD
Cash	**$ 267,545**	**$ 2,061**	$ 303,385	$ 33,268	$ 509,961	$ 103,330
Amounts receivable	**625,230**	-	853,403	-	1,593,996	-
Accounts payable and accrued liabilities	**(423,773)**	-	(212,207)	-	(2,306,051)	-
Rate to convert $1 CAD	**0.08**	**1.004**	0.08	0.99	0.08	1.02

Based on the Company's net exposure, a 2% change (October 31, 2011 – 7%), (November 1, 2010 – 1 %) in the Canadian/Mexican Peso exchange rate, and a 1% change (October 31, 2011 – 3%), (November 1, 2010 – 5%) in the Canadian/US exchange rate (based on prior year fluctuations in the relative exchange rates) would impact the Company's earnings by approximately $681 (October 31, 2011 –$6,129), (November 1, 2010 –$5,348). As this sensitivity analysis does not take into account any variables other than foreign currency rate fluctuations, the above information may not fully reflect the fair value of the assets and liabilities involved.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is exposed to other price risk related to the fluctuation in the market price of its marketable securities. Although considered available for sale, these investments do not represent core assets of the Company nor are they considered material. However, the Company closely monitors the market values of these investments in order to determine the most appropriate course of action.

Classification of Financial Instruments

IFRS 7 'Financial Instruments: Disclosure' establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash and cash equivalents and marketable securities are classified at level one of the fair value hierarchy. The Company had no level 2 or 3 financial assets at January 31, 2012, October 31, 2011 or November 1, 2010. As the carrying values of the Company's remaining financial instruments approximate their fair values, disclosure is not made of their level in the fair value hierarchy.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements

Proposed Transactions

The Company has no proposed transactions other than what was disclosed in the Subsequent Events in the Consolidated Financial Statement

Risks

All of the properties in which the Company has an interest are in the exploration stage only and the business of the Company is subject to the following risks:

Exploration and Mining Risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Company has not discovered a metals or diamond deposit of commercial grade on any of its properties. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, cave-ins, landslides and the inability of the Company to obtain suitable machinery, equipment or labor are all risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required in order to establish ore reserves through drilling and staged bulk sampling, to develop optimum metallurgical processes to extract the metals or diamonds from the ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial mining operations or that funds required for development can be obtained on a timely basis. The economics of developing mining properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in the prices of ore which can be obtained on the metal markets, costs of processing equipment and such other factors as aboriginal land claims and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There is no certainty that the expenditures to be made by the Company in the exploration and development of the interests described herein will result in discoveries of commercial quantities of ore.

Political Risks

The management and directors of Yale feel that Mexico is a politically stable area of the world that still has significant potential for discoveries.

Mexico is located immediately south of the United States of America and is 1,972,550 square kilometres in size (approximately twice the size of British Columbia). Elections held in July 2000 marked the first time since the 1910 Mexican Revolution that the opposition defeated the party in government, the Institutional Revolutionary Party (PRI). Vicente Fox of the National Action Party (PAN) was sworn in on 1 December 2000 as the first chief executive elected in free and fair elections. Recently Felipe Calderon was sworn in as the new president of Mexico and will be in power for the coming 6 years. Mexico has a free market economy that recently entered the trillion-dollar class. It contains a mixture of modern and outmoded industry and agriculture, increasingly dominated by the private sector. Recent administrations have expanded competition in seaports, railroads, telecommunications, electricity generation, natural gas distribution, and airports. Per capita income is one-fourth that of the US; income distribution remains highly unequal. Trade with the US and Canada has tripled since the implementation of NAFTA in 1994. Mexico has 12 free trade agreements with over 40 countries including, Guatemala, Honduras, El Salvador, the European Free Trade Area, and Japan, putting more than 90% of trade under free trade agreements.

Market Risks

The marketability of metals or diamonds recovered from deposits, which may be acquired or discovered by the Company, will be affected by numerous factors many of which are beyond the control of the Company. These factors include market fluctuations in the price of metals or diamonds, the capacity of the market, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of metals or minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in the Company not receiving an adequate return for shareholders.

Uninsurable Risks

Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations, rock bursts, cave-ins, fires, flooding, or other conditions may occur from time to time. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company's financial position.

No Assurance of Title or Boundaries, or of Access

While the Company has registered its mining claims with the appropriate mining authorities and has filed all pertinent information to industry standards, this should not be construed as a guarantee of title. In addition, the Company's properties consist of recorded mineral claims, none of which have been legally surveyed, and therefore, the precise boundaries and locations of such claims may be in doubt and may be challenged. The Company’s properties may also be subject to prior unregistered agreements or transfers or native land claims and the Company title may be affected by these and other undetected defects.

Government Regulation

The Company's operations are subject to government legislation, policies and controls relating to prospecting, land use, trade, environmental protection, taxation, rates of exchange, return of capital and labor relations.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Company's operations. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent enforcement of such laws and regulations could have a substantial adverse impact on the financial results of the Company.

Environmental Regulation

The Company's operations may be subject to environmental regulations enacted by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition on the Company of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that has lead to stricter standards and enforcement and greater fines and penalties for non-compliance. The cost of compliance with government regulations may reduce the profitability of the Company's operations.

Competition

The exploration and mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition and exploration of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified management and employees.

Management

The success of the Company depends to a large extent on its ability to retain the services of its senior management and members of its board of directors. The loss of their services may have a material adverse effect on the Company.

The Company has no compensatory plans or arrangements in effect with any of its senior officers or members of its board of directors with respect to the resignation, retirement, or other termination of their services, or with respect to a change in their responsibilities following a change in the control of the Company.

Financing Risks

The Company has no source of operating cash flow, limited financial resources, and has no assurance that additional financing will be available to it for further exploration and development of its properties or to enable it to fulfill its obligations under any applicable agreements. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties and the possible loss of title to such properties. If such additional financing is raised, it will likely be through the issuance of additional equity securities of the Company, which may have a substantial dilutive effect on shareholders acquiring securities of the Company.

Permits and Licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations on the Company's properties.

Risks Related to Nature of Ownership of Common Shares

Dilution

Shareholders may suffer immediate and/or future dilution with respect to future private and or public offerings of common shares currently being contemplated in order to secure needed capital to facilitate Company growth.

Market Volatility

The trading price of the common shares may be subject to wide fluctuations in response due to variations in operating results, and other events and factors. In addition, the stock market may experience price and volume fluctuations, which may adversely affect the market price of the common shares of the Company

Critical Accounting Estimates

In the preparation of these condensed consolidated interim financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the condensed consolidated interim financial statements.

Mineral properties interests

Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for its mineral property interests. Once technical feasibility and commercial viability of a property can be demonstrated, it is reclassified from mineral properties to property, plant and equipment, and subject to different accounting treatment. As at January 31, 2012, October 31, 2011 and November 1, 2010 management had determined that no reclassification of mineral property interests was required.

Income taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the condensed consolidated interim financial statements.

New accounting standards and interpretations

At the date of authorization of these financial statements, the IASB has issued a number of new and revised standards and interpretations which are not yet effective for the relevant reporting periods.

IFRS 9 Financial Instruments

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 Financial Instruments (IFRS 9) as a first phase in its ongoing project to replace IAS 39. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities. Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Company’s financial statements.

IFRS 10 Consolidated Financial Statements

In May 2011, the IASB issued IFRS 10 Consolidated Financial Statements (IFRS 10). IFRS 10, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 10 replaces Standing Interpretations Committee 12 Consolidation – Special Purpose Entities (SIC 12) and IAS 27 Consolidated and Separate Financial Statements (IAS 27). IFRS 10 eliminates the current risk and rewards approach and establishes control as the single basis for determining the consolidation of an entity. The standard provides guidance on how to apply the control principles in a number of situations, including agency relationships and holding potential voting rights. Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Company's financial statements.

IFRS 12 Disclosure of Interests in Other Entities
In May 2011, the IASB issued IFRS 12 Disclosure of Interests in Other Entities (IFRS 12). IFRS 12, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 12 outlines the required disclosures for interests in subsidiaries and joint arrangements. The new disclosures require information that will assist financial statement users to evaluate the nature, risks and financial effects associated with an entity's interests in subsidiaries and joint arrangements. Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Company's financial statements.

IFRS 13 Fair Value Measurement
In May 2011, the IASB issued IFRS 13 Fair Value Measurement (IFRS 13). IFRS 13, which is to be applied prospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 13 defines fair value, provides a framework for measuring fair value and includes disclosure requirements for fair value measurements. IFRS 13 will be applied in most cases when another IFRS requires (or permits) fair value measurement. Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Company's financial statements.

Other
In June 2011, the IASB issued amendments to IAS 1 Presentation of Financial Statements to revise the way in which other comprehensive income is presented. The Company does not believe the changes resulting from the amended standard will have an impact on its financial statements. The amended standard is effective for annual periods beginning on or after July 1, 2012.

In June 2011, the IASB issued amendments to IAS 19 Employee Benefits with revised requirements for pensions and other postretirement benefits, termination benefits and other changes. The Company does not believe the changes resulting from these amendments are relevant to its financial statements. The amended standard is effective for annual periods beginning on or after January 1, 2013.

In June 2011, the IASB issued amendments to IFRS 7 Financial Instruments: Disclosures. The Company does not believe the changes resulting from these amendments are relevant to its financial statements. The amended standard is effective for annual periods beginning on or after July 1, 2011.

In May 2011, the IASB issued IFRS 11 Joint Arrangements, in addition to IFRS 10 and IFRS 12 as discussed above. The Company does not believe the changes resulting from this new standard are relevant to its financial statements. IFRS 11 is effective for annual periods beginning on or after January 1, 2013.

In October 2011, the IASB issued IFRIC 20 Stripping costs in the production phase of a surface mine. The Company does not believe the changes resulting from this new standard are relevant to its financial statements. IFRIC 20 is effective for annual periods beginning on or after January 1, 2013.

FIRST-TIME ADOPTION OF IFRS

International Financial Reporting Standards (IFRS) replaced the previous Canadian GAAP (CGAAP) for the Company, effective for its 2012 interim and annual financial statements. Accordingly, the Company is applying accounting policies consistent with IFRS beginning with its interim financial statements for this quarter ended January 31, 2012.

The adoption of IFRS resulted in changes to the Company's accounting policies. The accounting policies disclosed in note 4 to the accompanying condensed consolidated interim financial statements have been applied consistently to all periods presented. They also have been applied in the preparation of an opening IFRS statement of financial position as at November 1, 2010.

The impact of the transition from Canadian GAAP to IFRS is explained in detail in note 3 to the accompanying condensed consolidated interim financial statements. The changes in accounting policies have not been applied to any information for periods prior to November 1, 2010.

First-time adoption of IFRS – Impact on November 1, 2010

The first-time adoption of IFRS generally requires retrospective application of the resulting changes in accounting policies. Subject to certain optional exemptions and mandatory exceptions, the Company has applied the changes in accounting policies resulting from the adoption of IFRS retrospectively in the preparation of its opening IFRS statement of financial position as at November 1, 2010, the Company's "Transition Date".

The impact of first-time adoption of IFRS on the Company's opening IFRS statement of financial position is described in detail in note 3 to the accompanying condensed consolidated interim financial statements.

The expected impact of changes in accounting policies, as was known at the time, was also disclosed in the Company's Management Discussion and Analysis for the year ended October 31, 2011.

Impact of Changes in Accounting Policies on the Company's Financial Statements

The adoption of IFRS resulted in changes to the Company's accounting policies. The changes to accounting policies as required by IFRS have not resulted in any significant change to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements. However, as discussed below, the Company has elected not to capitalize exploration expenditure to mineral property interests, and the consequent adjustments have had a significant impact on the Company's financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS:

Impairment of (Non-financial) Assets

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Canadian GAAP required a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

IFRS also requires the reversal of any previous impairment losses, with the exception of goodwill, where circumstances have changed such that the level of impairment in the value of the assets has been reduced. Canadian GAAP prohibits the reversal of impairment losses.

The Company has changed its accounting policies related to impairment of assets to be consistent with the requirements under IFRS. The changes in accounting policies related to impairment did not have an impact on the condensed consolidated interim financial statements.

Share-based Payments

In certain circumstances, IFRS requires a different measurement of share-based compensation than Canadian GAAP. In particular, IFRS requires that each tranche (that vests separately) must be treated as a separate grant and that an estimate of forfeitures be included in the determination of the expense associated with share option grants.

Due to the nature of the Company's share options, these changes in accounting policy did not have a significant impact on the condensed consolidated interim financial statements.

Functional currency

IFRS requires that the functional currency of each company within the consolidated group be assessed individually, while under Canadian GAAP the functional currency of an integrated operation was the same as the reporting company. Under IFRS, where a company's functional currency differs from the presentation currency of the consolidated financial statements, all foreign exchange gains and losses arising on translation to the presentation currency are recognised in the statement of operations and comprehensive income as other comprehensive income.

As the functional currency of the Company and its subsidiary has been assessed as the Canadian Dollar, this change in policy has no impact on the Company's financial statements.

Mineral Property Assets

IFRS allows a company to develop an accounting policy for the recognition of exploration and evaluation assets, including mineral properties.

The Company has elected to change its accounting policy for mineral property interests, whereby only acquisition costs are capitalized and all other exploration expenditures are recognized in the statement of operations and comprehensive loss in the period in which it is incurred. This change is policy had a significant impact on the condensed consolidated interim financial statements.

Investment in Oil and Gas Interest

IFRS requires that an investor in a joint venture that does not have joint control shall account for that investment as a financial instrument, while under Canadian GAAP the Company followed the full cost method of accounting for oil and gas interests's. The change in accounting policy did not have a significant impact on the condensed consolidated interim financial statements.

a) Reconciliation of Canadian GAAP to IFRS

The following provides reconciliations of the consolidated statements of financial position at the transition date of November 1, 2010 and at January 31, 2011 and October 31, 2011, and the consolidated statements of comprehensive loss and cash flows for the three months ended January 31, 2011 and the year ended October 31, 2011.

A discussion of the adjustments arising from changes in accounting policies and presentation follows these reconciliations:

Reconciliation of the Statements of Financial Position:

		November 1, 2010			January 31, 2011			October 31, 2011		
	Note	**Canadian GAAP**	**Effect of transition to IFRS**	**IFRS**	**Canadian GAAP**	**Effect of transition to IFRS**	**IFRS**	**Canadian GAAP**	**Effect of transition to IFRS**	**IFRS**
ASSETS										
Current										
Cash and cash equivalents		$ 171,318	-	$ 171,318	$ 494,960	-	$ 494,960	$ 103,640	-	$ 103,640
Amounts receivable		83,748	-	83,748	78,018	-	78,018	38,791	-	38,791
Marketable securities		247,467	-	247,467	222,654	-	222,654	230,505	-	230,505
Prepaid expenses and advances		4,500	-	4,500	4,500	-	4,500	3,099	-	3,099
		507,033	-	507,033	800,132	-	800,132	376,035	-	376,035
Non-current										
Amounts receivable		58,762	-	58,762	58,762	-	58,762	40,967	-	40,967
Prepaid expenses		19,050	-	19,050	19,050	-	19,050	19,050	-	19,050
Investment in oil and gas interest	(ii)	33,611	-	33,611	31,111	2,500	33,611	23,611	10,000	33,611
Property, plant and equipment		14,644	-	14,644	14,320	-	14,320	33,759	-	33,759
Mineral property interests	(i)	2,966,099	(1,074,337)	1,891,762	3,324,027	(1,145,355)	2,178,672	1,971,772	(765,184)	1,206,588
		3,092,166	(1,074,337)	2,017,829	3,447,270	(1,142,855)	2,304,415	2,089,159	(755,184)	1,333,975
TOTAL ASSETS		**$ 3,599,199**	**$ (1,074,337)**	**$ 2,524,862**	**$ 4,247,402**	**$ (1,142,855)**	**$ 3,104,547**	**$ 2,465,194**	**$ (755,184)**	**$ 1,710,010**
LIABILITIES										
Current										
Accounts payable and accrued liabilities		$ 317,527		$ 317,527	$ 97,914	-	$ 97,914	$ 113,877	-	$ 113,877
Exploration advances		31,628	-	31,628	131,910	-	131,910	107,547	-	107,547
		349,155	-	349,155	229,824	-	229,824	221,424	-	221,424
SHAREHOLDERS' EQUITY										
Share capital		13,142,253	-	13,142,253	14,024,703	-	14,024,703	14,066,703	-	14,066,703
Reserves (previously contributed surplus)	(iii)	1,125,551	-	1,125,551	1,254,401	-	1,254,401	1,319,401	-	1,319,401
Accumulated deficit		(10,951,139)	(1,074,337)	(12,025,476)	(11,071,155)	(1,142,855)	(12,214,010)	(12,959,363)	(755,184)	(13,714,547)
Accumulated other comprehensive loss		(66,621)	-	(66,621)	(190,371)	-	(190,371)	(182,971)	-	(182,971)
		3,250,044	$ (1,074,337)	2,175,707	4,017,578	(1,142,855)	2,874,723	2,243,770	(755,184)	1,488,586
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 3,599,199**	**$ (1,074,337)**	**$ 2,524,862**	**$ 4,247,402**	**$ (1,142,855)**	**$ 3,104,547**	**$ 2,465,194**	**$ (755,184)**	**$ 1,710,010**

Reconciliation of the Statements of Operations and Comprehensive Loss:

		Three months ended January 31, 2011			Year ended October 31, 2011		
	Note	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
Operating Expenses							
Accounting, audit and legal		$ 19,652	-	$ 19,652	$ 84,047	-	$ 84,047
Consultants' fees		28,500			103,000	-	103,000
Depreciation	(ii)	2,885	(2,500)	385	18,468	(10,000)	8,468
Exploration costs	(i)	-	71,018	71,018	-	291,117	291,117
Investor relations		8,319	-	8,319	31,191	-	31,191
Management fees		15000	-	15000	78,000	-	78,000
Office and miscellaneous		9,754	-	9,754	40,902	-	40,902
Property examination costs; net		-	-	-	20,092	-	20,092
Regulatory fees		3,463	-	3,463	17,700	-	17,700
Rent		8,381	-	8,381	37,086	-	37,086
Share-based compensation		128,850	-	128,850	139,850	-	139,850
Telephone		1,115	-	1,115	5,056	-	5,056
Transfer agent and listing fees		1,054	-	1,054	8,813	-	8,813
Travel		2,121	-	2,121	6,370	-	6,370
		229,094	68,518	297,612	644,575	281,117	925,692
Other (Income) Expenses							
Expense recoveries		(58,917)	-	(58,917)	(78,283)	-	(78,283)
Foreign exchange loss		3,928	-	3,928	16,185	-	16,185
Impairment of mineral property interests	(i)	-	-	-	1,390,542	(600,270)	790,272
Impairment loss on marketable securities		-	-	-	117,024	-	117,024
Oil and gas income; net		(5,594)	-	(5,594)	(17,504)	-	(17,504)
Other income		(8)	-	(8)	(25,907)	-	(25,907)
Realized gain on sale of marketable securities		(48,487)	-	(48,487)	(38,408)	-	(38,408)
Net Loss for the Period/Year		**120,016**	68,518	**188,534**	**2,008,224**	**(319,153)**	**1,689,071**
Other Comprehensive Loss							
Unrealized loss on marketable securities		136,587	-	136,587	154,269	-	154,269
Transfer on sale of marketable securities		(12,837)	-	(12,837)	(10,080)	-	(10,080)
Transfer on impairment of marketable securities		-	-	-	(27,839)	-	(27,839)
		123,750	-	123,750	116,350	-	116,350
Total Comprehensive Loss for the Period/Year		**$ 243,766**	**$ 68,518**	**$ 312,284**	**$ 2,124,574**	**$ (319,153)**	**$ 1,805,421**

Reconciliation of the Statements of Cash Flows:

	Note	Three months ended January 31, 2011 Canadian GAAP	Effect of transition to IFRS	IFRS	Year ended October 31, 2011 Canadian GAAP	Effect of transition to IFRS	IFRS
Operating Activities							
Net loss		$ (120,016)	$ (68,518)	$ (188,534)	$ (2,008,224)	$ 319,153	$ (1,689,071)
Items not affecting cash							
Depreciation	(ii)	2,885	(2,500)	385	18,468	(10,000)	8,568
Gain on sale of marketable securities		(48,487)	-	(48,487)	(38,408)	-	(38,408)
Share-based compensation		128,850	-	128,850	193,850	-	193,850
Impairment of mineral property interests	(i)	-	-	-	1,390,542	(600,270)	790,272
Impairment loss on marketable securities		-	-	-	117,024	-	117,024
Marketable securities included in exploration recoveries		-	-	-	(45,933)	-	(45,933)
Unrealized foreign exchange loss		-	-	-	7,456	-	7,456
Operating Cash Flow		(36,768)	(71,018)	(107,786)	(365,225)	(291,117)	9621,729)
Changes in Non-Cash Working Capital							
Amounts receivable		5,731	-	5,731	55,436	-	55,436
Prepaid expenses		-	-	-	1,401	-	1,401
Accounts payable and accrued liabilities		(219,652)	-	(219,652)	(22,224)	-	(22,224)
		(213,884)	-	(213,884)	34,613	-	34,613
Cash Used in Operating Activities		(250,652)	(71,018)	(321,670)	(330,612)	(291,117)	(621,729)
Investing Activities							
Purchase of property, plant and equipment		(61)	-	(61)	(27,583)	-	(27,583)
Expenditure on mineral property interests	(i)	(204,744)	71,018	(133,726)	(460,644)	291,117	(169,527)
Proceeds on sale of marketable securities		76,367	-	76,367	76,368	-	76,368
Cash From (Used in) Investing Activities		(128,438)	71,018	57,420	(411,859)	291,117	(120,742)
Financing Activities							
Exploration advances		100,282	-	100,282	78,159	-	78,159
Proceeds from issuance of common shares, net of share issue costs		602,450	-	602,450	602,450	-	602,450
Cash Used in Financing Activities		702,732	-	702,732	680,609	-	680,609
Foreign Exchange Effect on Cash		-	-	-	(5,816)	-	(5,816)
Increase in cash and cash equivalents		323,642	-	323,642	(67,678)	-	(67,678)
Cash and cash equivalents, Beginning of Period/Year		171,318	-	171,318	171,318	-	171,318
Cash and cash equivalents, End of Period/Year		**$ 494,960**	-	**$ 494,960**	**$ 103,640**	-	**$ 103,640**

(i) On transition to IFRS, the Company elected to change to its accounting policy for the treatment of exploration expenditures from a policy whereby such costs were previously capitalized to mineral property interests, to a policy of now expensing such expenditures, so as to align itself with policies applied by other comparable companies at a similar stage in the mining industry. Consequently, exploration expenditure which had previously been capitalized to mineral property interests are expensed; at transition through accumulated deficit and for the year ended October 31, 2011 through net loss for the year.

(ii) As permitted by IFRS 1, at transition to IFRS the Company's Investment in Oil and Gas Interest was accounted for at a deemed cost equivalent to the value of the interest as calculated under Canadian GAAP on November 1, 2010. Thereafter the interest is required to be accounted for as a financial asset; therefore amortization of the Oil and Gas interest previously recognized under Canadian GAAP is no longer recognized under IFRS.

(iii) IAS 1 requires an entity to present, for each component of equity, a reconciliation between the carrying amount at the beginning and end of the period, separately disclosing each change. The Company examined its previously reported contributed surplus and concluded that it was comprised of the fair value of options issued as share-based awards and warrants issued under private placements.

Therefore, at November 1, 2010 the fair value attributable to options and warrants outstanding at that date was transferred from contributed surplus to an "Equity settled share-based payment reserve" and a "Reserve for warrants", respectively, as detailed in the Company's Statement of Changes in Shareholders' Equity.

Management's Report on Internal Controls Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

Because of its inherent limitations, internal control over financial reporting may not detect misstatements. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclosure Controls and Procedures

The Company's management is responsible for establishing and maintaining disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to senior management. Senior management has evaluated the Company's disclosure controls and procedures and have concluded that they are effective as of January 31, 2012.

Disclosure of Outstanding Share Data

As at April 15, 2012, the Company had the following common shares, stock options and warrants outstanding:

Common shares	80,839,156
Stock options (vested and unvested)	5,200,000
Warrants	Nil
Fully diluted shares outstanding	86,039,156

The Company's ongoing exploration is dependent on raising additional capital to develop its properties and the Company is continually assessing overall market conditions to ensure this need is fulfilled to the benefit of the Company and its shareholders.

Subsequent Events

There have been no material subsequent events.